

Vol -001

09012007

Food Stamp/TANF Program

Benefit Integrity Manual

Vol 001 - 09012007

Effective 09/01/07

TABLE OF CONTENTS

TABLE OF CONTENTS.....	2
CHAPTER 1 INTRODUCTION TO BENEFIT INTEGRITY	5
1.1 Authority	5
1.2 Purpose of the Recipient Claims and Benefit Integrity Program ...	5
1.3 Administration of the Benefit Integrity Program.....	5
1.4 Definition of a Recipient Claim	6
1.5 Responsibility for Paying Claims	7
CHAPTER 2 POSSIBLE CLAIMS	8
2.1 Referring Possible Claims.....	8
2.2 Possible Claims in Transferred Cases	8
2.3 Possible Claims Referral to the Division of Investigations	9
2.4 Priority for Establishing Possible Claims.....	9
2.5 Possible Claims Management	10
2.6 Out of State Usage Report	10
CHAPTER 3 TYPES OF CLAIMS	11
3.1 Types of Claims	11
3.2 Agency Error (AG) Claims	11
3.3 Inadvertent Household Error (CL) Claims.....	12
3.4 Intentional Program Violation (IPV) Claims.....	12
3.5 Suspected Fraud/Fraud (FR) Claims	12
3.6 Supportive Services (SS) Claims	13
3.7 Categorical Eligibility Claims.....	14
CHAPTER 4 ELECTRONIC BENEFIT TRANSFER (EBT) MISUSE AND BENEFIT TRAFFICKING	15
4.1 EBT Misuse.....	15
4.2 Benefit Trafficking.....	15
4.3 Referral Sources for EBT Misuse and Benefit Trafficking	16
4.4 Profiles for EBT Misuse and Benefit Trafficking	16
4.5 Evidence for EBT Misuse and Benefit Trafficking.....	17
4.6 Investigating EBT Misuse and Benefit Trafficking	17
CHAPTER 5 CALCULATING CLAIMS	19
5.1 Start Dates for Calculating Claims	19
5.2 Time Frames for Calculating Claims.....	20
5.3 Calculating FS or FI Claims Not Due to Trafficking	20
5.4 Calculating FS Claims Due to Trafficking	21
5.5 Reducing FS Overpayments by Expunged EBT Benefits	21
5.6 Calculating a SS Claim	22

5.7	Use of ESC Wage Match in Calculating Claims	22
5.8	Use of Subpoenas in Calculating Claims	23
5.9	Use of Home Visits in Calculating Claims	23
CHAPTER 6 ESTABLISHING CLAIMS		24
6.1	Pre-establishment Cost Effectiveness Determination.....	24
6.2	Steps to Establish a Claim	24
6.3	Restoring Eligible Months for FI Claims.....	25
6.4	Establishing Claims on Persons Unknown to CHIP	26
6.5	Notification of a Claim.....	27
6.6	Transferring Established Claims.....	27
CHAPTER 7 ADJUDICATING CLAIMS		28
7.1	Disqualification from FS Participation.....	28
7.2	Claims Review Process for FS Intentional Program Violations....	28
7.3	Administrative Disqualification Hearing (ADH)	29
7.4	Referring FS Claims for ADH's	29
7.5	ADH Procedures	31
7.6	Fair Hearings Combined with ADH's.....	31
7.7	Administrative Consent Agreements (ACA's)	32
7.8	SF/FR Claims Sent to the Division of Investigation (DOI)	32
7.9	Claims Not Sent to the Division of Investigation (DOI)	33
7.10	Making a Referral to the Division of Investigation (DOI)	33
7.11	Pre-Trial Intervention for Claims Referred to the Division of Investigation (DOI).....	34
7.12	Repayment Agreements on Claims Referred to the Division of Investigation (DOI).....	34
CHAPTER 8 DISQUALIFICATION FOR IPV'S IN THE FSP		35
8.1	Disqualification Time Frames.....	35
8.2	Imposing the Disqualification	36
8.3	The Disqualified Recipient Subsystem (DRS)	37
CHAPTER 9 RECIPIENT RIGHTS TO A FAIR HEARING		41
9.1	Recipient Rights to a Fair Hearing	41
9.2	Collection Activity on Claims Requesting Fair Hearings	41
CHAPTER 10 REPAYMENT OF CLAIMS		42
10.1	Repayment Agreements	42
10.2	Allotment Reduction for Claims Repayment	43
10.3	Repayment with Benefits from EBT Accounts	44
10.4	Repayment by Public Service	46
10.5	Bankruptcy.....	46
10.6	Interstate Claims.....	46
10.7	Unspecified Joint Collections.....	46
10.8	Refunds for Overpaid Claims.....	46
10.9	Retention Rates for Collected Claims	47
CHAPTER 11 DELINQUENT CLAIMS.....		48
11.1	Determining Delinquency for Claims.....	48

11.2	Delinquent Claims Referred to the Claims Collection Unit (CCU)	
	49	
11.3	Terminated Claims	49
11.4	Written Off Claims	49
11.5	Terminating and Writing Off Claims	50
CHAPTER 12	RECIPIENT CLAIMS CASES FILE	51
12.1	Recipient Claims Case File Format.....	51
12.2	Retention of Recipient Claims Case Files	52
CHAPTER 13	FOOD STAMP MANAGEMENT EVALUATION (ME)	53
13.1	Management Evaluation (ME) Review Objectives.....	53
13.2	Frequency of ME Review	54
13.3	ME Review Coverage	54
13.4	Corrective Actions Plans for ME Review	54
13.5	Monitoring and Evaluation of ME Corrective Action.....	55
CHAPTER 14	BENEFIT INTEGRITY FORMS, NOTICES AND REPORTS.....	56
14.1	Benefit Integrity Forms	56
14.2	Benefit Integrity CHIP System Notices.....	57
14.3	Benefit Integrity CHIP System Reports	57
14.4	J P Morgan System Reports.....	58

Chapter 1 Introduction to Benefit Integrity

1.1 Authority

The authority under which the Recipient Claims and Benefit Integrity Program operates is included in the Code of Federal Regulations, Parts 210 to 299, which is updated by the Federal Register as of January 1st each year. Regulations specific to Food Stamp (FS) Program claims are found in 7 CFR 273.18. The authority for the Family Independence (FI) Program also exists in the South Carolina Family Independence Program Regulations Article 11, Section 114-1130. DSS adheres to all federal and state regulations in the operation of the Recipient Claims and Benefit Integrity Program.

1.2 Purpose of the Recipient Claims and Benefit Integrity Program

The purpose of the Recipient Claims and Benefit Integrity Program is to maintain program integrity by providing methods to ensure that benefit amounts provided to recipients in the FS and FI Programs are accurate according to federal and state policies and based on the recipient's circumstances and that misuses of program benefits are deterred.

This manual contains policy for the detection, investigation, establishment, and collection of recipient claims. FS and FI claims must be calculated according to the policies and procedures of their respective program at the time the claim occurred.

1.3 Administration of the Benefit Integrity Program

The Benefit Integrity Program is operated on a state and county level. The Food Stamp Policy Unit within the Division of Family Assistance at the state level is

responsible for developing and updating policy and providing policy clarification as needed and providing county recipient claims staff with technical assistance regarding implementation and maintenance of policy and procedures. This Unit also monitors county performance, conducts recipient claims program reviews for the federally mandated county level FSP Management Evaluation (ME) Review process and monitors county corrective action plans required to bring a county's program integrity process within compliance to federal and state regulations.

The Claims Collection Unit (CCU) within Financial Services at State Office is responsible for the collection of delinquent FS and FI claims. CCU also administers the federal Treasury Offset Program (TOP) and the SC Department of Revenue Debt Offset Program for the interception of income tax refunds to repay delinquent recipient claims.

The Division of Investigations (DOI) within the Office of General Counsel at State Office also provide services to the benefit integrity program in the areas of investigation and prosecution of food stamp intentional program violations, suspected fraud and EBT misuse and trafficking offenses.

All 46 counties within the state are served by Recipient Claims Workers (RCWs) with at least one RCW serving a county. RCW's are assigned to each circuit and serve the counties within that circuit. They report to the County Director that serves as Circuit Coordinator for the circuit in which they serve.

Since the ability for the general public to report misuse in public assistance programs plays a vital role in ensuring the public trust in the programs DSS administers, contacts for the purpose of reporting fraud and program misuse will be directed to the appropriate county DSS office. DSS Brochure 24117, "Fraud Busters", instructs individuals to contact their local DSS office to report fraud and misuse.

1.4 Definition of a Recipient Claim

A recipient claim in the FS and FI Programs is an amount owed to DSS because:

1. Benefits are overpaid.
2. Benefits are trafficked. Trafficking means the buying or selling of FS benefit instruments for cash or consideration other than eligible food. Trafficking may also mean the exchange of firearms, ammunition, explosives or certain controlled substances for FS benefits.

1.5 Responsibility for Paying Claims

The following individuals are responsible for paying a claim:

1. Each person who was an adult member of the BG when the overpayment or trafficking offense occurred.

NOTE: The PI may not be held "automatically" responsible for trafficking the BG's benefits if there is no direct evidence identifying him/her as the guilty party. However, the PI may be held responsible when there is sufficient circumstantial evidence to show his/her complicity in the violating act. Complicity in this case means that even though the PI may not have actually conducted the transaction, upon questioning there is convincing evidence that he/she was aware of it, may have benefited, and took no actions to correct it.

2. A sponsor of a non-citizen BG if the sponsor is at fault.
3. A person connected to the BG, such as an authorized representative or protective payee, who causes an overpayment.

NOTE: This includes when a drug and alcohol addiction center (DAA) or other group living arrangement (GLA) acts as the authorized representative.

4. A person connected to the FS BG, such as an authorized representative, who actually trafficks.

NOTE: This includes when a drug and alcohol addiction center (DAA) or other group living arrangement (GLA) acts as the authorized representative.

Federal regulations specify that DSS cannot require individuals serving as authorized representatives or sponsors of non-citizens to provide DSS with their Social Security Numbers (SSN's). Also, SSN's may not be available for individuals who have committed trafficking offenses. Although the EW can register an individual in CHIP without a SSN, the system will not process a claim without a SSN.

Chapter 2 Possible Claims

2.1 Referring Possible Claims

All situations involving potential overpayments or trafficking are referred to as possible claims. In addition, counties are required to submit possible claims referrals in all Quality Control (QC) error cases that cite an overpayment.

Any possible claim referral must be made to the RCW on a DSS 1680, Possible Claim Referral Form. The DSS 1680 should be completed in duplicate, including a potential claim classification based on the reason for the overpayment. Any appropriate documentation to assist in the RCW's investigation of the claim should be attached. The DSS 1680 should include copies of requests for pending information, if pending information is appropriate. When the pending information is provided to DSS, it should be forwarded to the RCW immediately.

The DSS 1680 should be forwarded to the RCW no later than 10 days from the date of detection. The referral must be entered as a possible claim on CHIP screen POCL no later than 10 days following the date the referral is received by the RCW.

The duplicate copy of the DSS 1680 should be filed in the certification case file.

2.2 Possible Claims in Transferred Cases

All possible claims should be registered on POCL in the county in which they were detected. If a case is transferred from one county to another, coordination between counties should be resolved no later than 60 days after the certification case is transferred to the new county. Either county may enter the claim for establishment.

2.3 Possible Claims Referral to the Division of Investigations

When the RCW receives a DSS 1680 involving an employee, a former employee, or a relative of a current employee, the RCW must forward the DSS 1680, through the claims supervisor, to the Division of Investigations (DOI) in the Office of General Counsel at State Office. The RCW will not calculate any claim amount. Any DSS 1680 forwarded to DOI as a possible claim must also include a DSS 16123, Authorization to Prosecute, signed by a supervisor or county director, with as much information as possible to describe the claim period, cause, and evidence available to prove the claim.

2.4 Priority for Establishing Possible Claims

A priority is given to each possible claim in preparation for establishment. The highest priority is "1" and these should be assigned and investigated first. All efforts to ensure that cases are established by the RCW according to the following priority schedule should be taken:

Priority	Classification	Status
1	FI-AG, CL, SF	Active Include any FS
2	FS-IPV/SF	Active Include any FI
3	FS-CL	Active Include any FI
4	FI-AG, CL, SF	Inactive FS Include any
5	FS-IPV/SF	Inactive Include any FI
6	FS-CL	Inactive Include any FI
7	FS-AG	Active Include any FI
8	FS-AG	Inactive Include any FI

NOTE: If there are multiple overpayments in different classifications for concurrent time periods, establish the claims in the following order: AG, IPV/SF and CL last.

2.5 Possible Claims Management

The RCW must establish a claim on any possible claim referral, or take action to unfound the referral, no later than six months from the date of detection of the possible claim. The claims supervisor will ensure that no less than 90 percent of all claim referrals are either established or disposed of according to this time frame.

2.6 Out of State Usage Report

The Out of State Usage (OSU) Report provides a listing of FS recipients who have EBT transactions in states other than South Carolina. The RCW will review the EBT OSU Report for each county for which they are responsible by the end of the month following the report month. The RCW will perform the following:

1. Determine EBT transaction data that indicates a recipient may be living out of state or may have left the state for a substantial period of time. Also, research the possibility that someone other than the recipient may be using the card.
2. Ensure that the household is contacted (either by telephone or in writing) to resolve any discrepancies regarding the transaction data reviewed.
3. Coordinate with the FS Eligibility Worker to take necessary action to close the FS case if:
 - The household is unable to be located at the address provided on CHIP Screen ADDR
 - The household is able to be located but fails to provide information requested to resolve EBT transaction data discrepancies regarding out of state usage of the EBT card, or
 - The Agency determines that the household is living outside of South Carolina.
4. Prepare a DSS 1680, Possible Claim Referral Form, for any month(s) the RCW has verified that the household was not entitled to FS benefits authorized through DSS or in which someone other than the household was using the EBT card.

Chapter 3 Types of Claims

3.1 Types of Claims

There are four types of claims:

1. Agency Error (AG)
2. Inadvertent Household Error (CL)
3. Intentional Program Violation (IPV). IPV claims are specific to the FS Program only
4. Suspected Fraud (SF)/Fraud (FR)

3.2 Agency Error (AG) Claims

An agency error (AG) claim is any claim for an overpayment caused by an action or failure to take action by DSS. Instances which may result in an AG claim include, but are not limited to, DSS's:

1. Failure to take prompt and proper action on a reported change
2. Incorrect computation of benefit amounts
3. Incorrect benefit issuance due to computer system error
4. Continued benefits to an FS BG after its certification period has expired without the BG having been recertified
5. Failure to act on information received through the Income and Eligibility Verification System (IEVS) which causes an overpayment

6. Failure to timely impose a disqualification on an FS participant when an IPV has been adjudicated administratively or judicially

3.3 Inadvertent Household Error (CL) Claims

An inadvertent household error (CL) claim is any claim resulting from a misunderstanding or unintended error on the part of a BG who otherwise complies with program requirements.

3.4 Intentional Program Violation (IPV) Claims

An intentional program violation (IPV) claim is any claim, in the FS Program only, for an overpayment or trafficking resulting from a person having intentionally:

1. Made a false or misleading statement, or misrepresented, concealed or withheld facts
2. Committed any act that constitutes a violation of the Food Stamp Act, the FS Program Regulations, or any state statute relating to the use, presentation, transfer, acquisition, receipt, or possession or trafficking of FS benefits, coupons, authorization cards or reusable documents used as part of an automated benefit delivery system (access device).

A claim cannot be assigned as an IPV unless:

1. It has been determined through an Administration Disqualification Hearing (ADH) that a BG member has committed an IPV
2. The individual waives his right to an ADH by signing a DSS 1648, Administrative Consent Agreement Waiver of Hearing and Consent to Disqualification (ACA)
3. The individual receives approval to participate in a Pretrial Intervention (PTI) Program and the DSS 2659, Deferred Adjudication Disqualification Consent Agreement, has been forwarded to the RCW by DOI.

Individuals who are found to have committed an IPV are subject to disqualification from participation in the FS Program.

3.5 Suspected Fraud/Fraud (FR) Claims

Fraud is defined as a false representation of facts by words or conduct, by false misleading allegations, or by concealment of that which should have been disclosed,

which deceives, and is intended to deceive another in order to obtain assistance illegally. A person who commits fraud violates state and federal laws.

As generally accepted in South Carolina courts, the necessary elements of fraud are:

1. Misrepresentation of a fact with intent to deceive, including positive assertion of falsehood, concealment of the truth, suppression of the truth, and/or establishment of a false impression by words, actions or trickery.
2. Knowledge of the falsity of the representation by the maker
3. Materiality of the fact misrepresented
4. Reliance on the misrepresentation by the person deceived
5. Damage to the person deceived (benefit to the wrongdoer is normally immaterial). Damage is not required to prove a violation under SC Code 16-13-430, Fraudulent Acquisition or Use of Food Stamps.

A determination of fraud for FS or FI can only be made through judicial proceedings in a criminal court and must be proven by evidence which is beyond a reasonable doubt. Individuals who are found guilty of fraud by a court are subject to disqualification from participation in the FS Program. No disqualification exists in the FI Program.

3.6 Supportive Services (SS) Claims

Support service claims may be established against FS and FI recipients who are receiving support services in error for transportation and/or work or component related expenses. Support service overpayments occur when the individual:

1. Is receiving support services, but is no longer participating in a countable FI activity or FSE&T, or is not participating in the required manner
2. Is no longer eligible for support services but DSS continues to pay for these services in error
3. Received a work related expense and did not accept employment or received a component related expense and never participated in the component.

Support Services claims may be classified as AG, CL, IPV, or FR.

CAUTION: Claims will not be established on Support Services overpayments that occur during initial job search in FI.

Referrals for overpayments of transportation, work or component related expenses are referred to the FS Policy Unit/Benefit Integrity Coordinator in the Division of Family Assistance at State office. These claims will be coordinated on the state level due to the system verification and funding streams involved in establishment and collection of these support services debts.

3.7 Categorical Eligibility Claims

An FS claim that was established on the basis of FI or SSI categorical eligibility that was subsequently determined improper must be classified as one of the following:

1. AG if caused by errors on the part of DSS or other state government agencies
2. CL if caused on the part of the SSI agency
3. IPV if caused by intentional acts of program violations and is adjudicated properly
4. SF/FR if caused by fraud based on findings of a court.

CAUTION: A fraudulent act to obtain FI or SSI cannot automatically be considered a fraudulent act to obtain FS. There would not be an FS claim, even if the FI or SSI eligibility was subsequently determined incorrect, as long as everyone in the FS BG had qualified for categorical eligibility during this time period. Categorical eligibility cannot be rescinded retroactively.

For categorically eligible BGs, a claim cannot be established if the BG was subsequently declared ineligible for FI or SSI due to excess resources.

For categorically eligible BGs, a claim can be established to correct improper benefit levels in cases where FI or SSI eligibility is subsequently determined improper for reasons of additional BG income, size, or deductions which directly affect the benefit calculation.

Chapter 4 Electronic Benefit Transfer (EBT) Misuse and Benefit Trafficking

4.1 EBT Misuse

EBT misuse is defined as:

1. Buying ineligible items with FS benefits
2. Using FS benefits, excluding trafficking, for any reason other than to purchase food items for eligible BG members
3. Maintaining a credit account with a retailer for the purchase of eligible items paid with FS benefits.

On the first offense of client misuse (not trafficking), the RCW will establish the claim as a CL (client error). The RCW will not pursue an IPV for the first offense of misuse. The RCW will counsel the client and document the claims case file that this has occurred. This will establish evidence of the client's knowledge for future reports of misuse.

4.2 Benefit Trafficking

Benefit trafficking is the conversion of FS benefits to cash, drugs, firearms, or any other liquid/physical asset.

4.3 Referral Sources for EBT Misuse and Benefit Trafficking

Sources of referrals for EBT misuse and benefit trafficking include:

1. Unsolicited reports from outside DSS
2. Reports of suspected misuse from within DSS including computer program identification from the J P Morgan Info Manager System.
3. Recipients whose EBT transactions may be used, or have been used, as evidence to disqualify a retailer for trafficking. These referrals are generated and forwarded by Food and Nutrition Service (FNS).

All referrals are to be treated as possible claims referrals and entered in CHIP on the POCL screen.

4.4 Profiles for EBT Misuse and Benefit Trafficking

The following profiles can be used to substantiate allegations of EBT Misuse or benefit trafficking:

1. Rapid Transactions: These are transactions that appear too rapidly after the prior transaction to be a legitimate food purchase. In supermarkets that have electronic scanners, conveyor belts large enough to hold several large food purchases, and electronic scales to instantly weigh them. For a \$100 purchase, transaction time should not be less than five minutes. For a \$40 purchase, transaction time should not be less than three minutes.
2. Excessively Large Transactions: These are transactions that are unreasonably large based on the size and nature of the retailer's operation. The store does not carry the amount and/or type of food stock to account for the number of such transactions occurring. The majority of retailers with one EBT terminal do not carry the amount or type of food stock to justify routine transactions in the \$100.00 range.
3. Repeated Transactions: These are transactions involving the same EBT card during the course of a given day. This type of transaction takes two basic forms:
 - a. Series of two or more consecutive transactions
 - b. A number of transactions spread out over the entire day.

4. Consecutive Transactions Ending in the Same Cents Value: These are transactions in amounts ending in zero cents or some other cent value in blocks of three or more consecutive transactions. The probability of the occurrence of the same cents value twice consecutively is 1/10,000.
5. Zeroing Out an EBT Account: This is complete or near depletion of the balance of an account in one transaction.
6. Large Transaction to Specialty Stores: These are large dollar transactions occurring at retailers that do not offer a wide range of food stock such as seafood retailers or meat markets. These transactions should be weighed against the overall benefit amount for the BG.
7. Odd Cents Transactions Followed by Large Withdrawals: This is a small transaction, usually less than \$1.00, followed by a larger transaction. This could indicate a balance check followed by a large depletion.
8. After Hour Transactions: These are transactions made after or before a retailer's regular posted hours.

4.5 Evidence for EBT Misuse and Benefit Trafficking

The following evidence should be used to substantiate allegations of EBT misuse and benefit trafficking:

1. Site Survey - RCW's may survey a retailer location to document the physical characteristics and the business activity of the retailer. This information can generally be obtained from the Benefit Integrity Coordinator at State Office.
2. J P Morgan Data - J P Morgan is SC's food stamp EBT issuance vendor. J P Morgan documents all activity conducted by the client and retailer via the electronic transfer of benefits. Screen prints from this system are to be considered official confidential business records of DSS.
3. Client Education - Prior to participating in EBT, clients are informed about their rights and responsibilities as well as their liabilities and fraud penalties.

4.6 Investigating EBT Misuse and Benefit Trafficking

Before any investigation of an individual suspected of EBT trafficking or EBT misuse can occur, clearance must be received from FNS on the retailer involved in

the EBT transactions. This clearance ensures that there is no ongoing investigation by another state or federal agency that may be jeopardized by the RCW's investigation of the recipient. To obtain clearance from FNS, the RCW will provide the name of the retailer(s) with a request for clearance to the Benefit Integrity Coordinator at State Office.

The RCW will review the evidence and the profiles to determine if there is sufficient evidence to support EBT trafficking or EBT misuse. The DSS 12107, Recipient Questionnaire, should be used to gather documentation on EBT trafficking or EBT misuse. If the RCW needs to discuss EBT transaction activity with the recipient to determine the basis of the claim, use CHIP Notice F505 to schedule an appointment with the recipient.

The PI may not be held "automatically" responsible for EBT misuse or benefit trafficking if there is no direct evidence identifying him/her as the guilty party. However, the PI may be held responsible when there is sufficient circumstantial evidence to show his/her complicity in the violative act. Complicity in this case means that even though the PI may not have actually conducted the transaction, upon questioning there is convincing evidence that he/she was aware of it, may have benefited, and took no actions to correct it. Complicity may be shown by establishing a clear pattern of misuse over time with the PI not providing a reasonable explanation and never reporting a loss/theft of the EBT card or benefits.

Chapter 5 Calculating Claims

5.1 Start Dates for Calculating Claims

The following chart shows the start dates when calculating claims:

Claims Classification	Start Dates for Calculating Claims
FS/FI AG	The first month of overpayment will be the first month DSS would have made the change effective had it acted timely based on the date the change was reported. On an initial application or recertification, the claim is calculated from the first month of overpayment.
FS/FI CL	The first month of overpayment is the first month in which the change would have been effective if it had been reported timely based on when the change occurred and the recipient's requirement to report.
FS IPV or FS/FI SF/FR	<p>The first month of the IPV is the month the act of intentional program violation occurred. An overpayment resulting from an IPV may occur based on the BG's reporting requirements.</p> <p><i>CAUTION: The months of IPV and overpayment may not be the same.</i></p> <p><i>NOTE: In a recertification, if an intentional program violation occurs in the last month of certification and in connection with efforts to establish recertification, the first month of overpayment is the first month of the certification period based on the recertification action.</i></p>

5.2 Time Frames for Calculating Claims

The following chart shows the time frames when calculating claims:

Claims Classification	Time Frames for Calculating Claims
FS AG	Calculate for no more than 12 months prior to the month of detection of the overpayment.
FS CL, IPV or SF/FR	Calculate for no more than six years prior to the month of detection of the overpayment.
FI AG, CL or SF/FR	No time limit on the calculation of an overpayment.
SS AG, CL or SF/FR	No time limit on the calculation of an overpayment.

5.3 Calculating FS or FI Claims Not Due to Trafficking

The following chart shows the steps for calculating a claim not related to trafficking:

Steps for Calculating an FS or FI Claim Not Related to Trafficking	Unless	Then
Determine the correct amount of benefits for each month the BG received an overpayment.		
Do not apply the earned income deduction to that part of any earned income that the BG failed to report in a timely manner. <i>NOTE: The BG would be entitled to the earned income deduction in a CL claim for the month of discovery.</i>	The claim is an FI or an FS AG claim.	Apply the earned income deduction.
Subtract the correct amount of benefits from the benefits actually received. The remainder is the amount of the	The remainder is zero (0) or	Unfound the claim referral.

overpayment.	negative.	
For FS claims, reduce the overpayment amount by any EBT benefits expunged from the BG's EBT account. The difference is the amount of the claim.		

***NOTE:** When calculating claims with income, use actual income for a non-reported source and converted income for a reported source.*

***CAUTION:** When calculating a claim against a BG whose allotment was reduced during the month of the overpayment, use the full allotment amount prior to the reduction.*

5.4 Calculating FS Claims Due to Trafficking

Claims arising from trafficking related offenses will be the value of the trafficked benefits as determined by the individual's admission, adjudication, or documentation that forms the basis for the trafficked determination. Reduce the overpayment amount by any EBT benefits expunged from the BG's EBT account. The difference is the amount of the claim.

5.5 Reducing FS Overpayments by Expunged EBT Benefits

For FS claims, reduce the overpayment amount by any benefits expunged from the BG's EBT account. To determine if there has been any expungement of FS benefits since January 1996, the RCW will:

1. From the "EBT Internal Coordinator Main Menu" select ACCOUNT INQUIRY and press "Ctrl" key. This will bring up the "EBT INQUIRY SELECTION MENU".
2. On the "EBT INQUIRY SELECTION MENU" select SOURCE-ID and press "Ctrl". This will bring up the INQUIRE USING THE SOURCE ID field.
3. In the SOURCE ID field enter the letters FS and a twelve digit FS case number. The appropriate number of lead in zeros will be required to make up your twelve digit FS number. (e.g. FS000000123456). Next press "Ctrl". This will bring up the INQUIRY DATA SCREEN BY (SOURCE ID).

4. On the INQUIRY DATA SCREEN BY (SOURCE ID) press PF6. This will bring up the EBT TRANSACTION HISTORY screen.
5. On the EBT TRANSACTION HISTORY screen review each line for the code "EX" (Expunged Benefit). Press PF9 to page up or PF10 to page down. Print each page containing an "EX" code. Reduce the overpayment amount by the total dollar amount of expunged benefits.

CAUTION: Accounts can have more than one expungement record; therefore review the entire detail history.

6. Attach printed screen(s) to the DSS 16164, Request To Bookkeeper to Reduce FS Overpayment by Expunged Benefits, and send to bookkeeper.
7. The newly established FS claim will be compromised by the bookkeeper for the total amount of expunged benefits.

To complete the compromise process, the county bookkeeper will:

1. Access the CLAR Menu screen in CHIP
2. Enter Function "7", Direct Recovery AND
3. On the DIRE screen, in "AMOUNT" column, enter the total of all expunged benefits and enter "CO" in the "METHOD" column.

NOTE: To ensure the claim adjustment through compromise was successful, the bookkeeper will review the CHIP Claim History (CLHI) screen and print a copy.

5.6 Calculating a SS Claim

Referrals for overpayments of transportation, work or component related expenses are referred to the FS Policy Unit/Benefit Integrity Coordinator in the Division of Family Assistance at State office. These claims will be coordinated on the state level due to the system verification and funding streams involved in establishment and collection of these support services debts.

5.7 Use of ESC Wage Match in Calculating Claims

When using the Employment Security Commission (ESC) Wage Match to verify income, the claim shall be calculated using one-third (1/3) of the total income for each quarter listed on the Match for each corresponding month of the claim. The client must be informed of his/her right to a fair hearing to refute the amount of the

claim. When the Match is the only source of verification used to calculate the claim, the claim classification cannot be SF/FR.

NOTE: If the RCW is aware of the dates employment started or stopped, the RCW should average earnings over the appropriate time period based on the "start" or "stop" dates.

If the RCW needs ESC historical data, a written request through agency email should be made to the DOI at State Office.

The RCW will use CHIP Notice C501, Overpayment Demand Letter-ESC Data, to notify the client of an overpayment resulting from ESC wage match data.

5.8 Use of Subpoenas in Calculating Claims

A subpoena may be requested through the Division of Investigation (DOI) of the Office of General Counsel at State Office and used by authorized personnel to secure both witnesses and documents which may be required for proof of overpayment in calculating a claim.

NOTE: Subpoena requests must go through the Hearing Officer when a hearing has been scheduled.

CAUTION: A subpoena should only be used when all other efforts to secure the information have been exhausted.

5.9 Use of Home Visits in Calculating Claims

Home visits, when used as a tool for investigating information to be used in the calculation of a claim, must be announced for FS AG or CL claims, need not be announced for FI, and need not be announced for FS IPV or SF/FR claims if completed by a fulltime Recipient Claims Worker (RCW) who is not assigned certification duties.

CAUTION: The RCW must use discretion in making home visits.

Chapter 6 Establishing Claims

6.1 Pre-establishment Cost Effectiveness Determination

DSS will **not** establish and subsequently collect an overpayment that is not cost effective. The RCW will:

<p>Not establish any claim if it is determined that the claim referral is \$125 or less.</p>	<p>Unless: the BG is currently participating in the FI or FS Program</p> <p>Or: The overpayment results from an act of intentional program violation.</p> <p>Or: The RCW has already established the claim</p> <p>Or: The overpayment was discovered in a QC review</p>
---	---

6.2 Steps to Establish a Claim

The steps the RCW will follow to establish a claim are:

1. Secure documentation to prove a claim
2. Determine the amount of overpaid benefits received
3. Complete the claims case file documentation to include the DSS 2619A, Account of Claim and the DSS 2619B, Account of Claim Activity/Part 2(only for IPV/SF/FR)

4. Properly enter the overpayment on CHIP
5. Notify the BG of the overpayment

In determining a possible claim classification of IPV, the RCW may need the BG to cooperate to provide clarification of information relevant to the IPV. The RCW may do this by contacting the A/R and giving them an opportunity to explain any questionable circumstances. The RCW may ask the BG to discuss the issues over the telephone or respond in writing. He/she may also request that the A/R appear for an in-office interview but cannot require that they do so. If the A/R fails or refuses to respond to any such request, the RCW, having otherwise completed his/her investigation and having sufficient evidence, may proceed with an Administrative Disqualification Hearing action to disqualify the A/R. In no event may the A/R or BG be threatened with the possibility of termination for non-cooperation..

NOTE: If the eligibility worker (EW) is requesting information to correct future benefits and information from this source is relevant to the overpayment period, the EW should request information for the overpayment period as well. The EW is not required to request information to substantiate the claim unless it is relevant to the EW's on-going eligibility determination.

NOTE: If there is not sufficient documentation to proceed with a claim investigation, the RCW will unfind the claim and update the POCL screen on CHIP, document the DSS 1680, Possible Claims Referral, and return the DSS 1680 to the EW to notify him/her of the findings.

CAUTION: When an overpayment is suspected in one assistance program, it is important not to overlook the probability that there may be an overpayment in another assistance program simultaneously.

6.3 Restoring Eligible Months for FI Claims

An FI BG may only receive FI benefits for 24 months in a 10 year period with certain exceptions. A BG with a claim resulting in total ineligibility should have the ineligible months restored to the time limits and will be processed in the following manner.

An agency error claim must have any total ineligible months restored to the BG at the point in time that the claim is established. The following process must be adhered to:

1. The RCW will establish the FI claim on CHIP and determine whether total ineligibility exists.
2. If total ineligibility exists, an adjustment must be made to CHIP screen FITL. The RCW will identify the month that should be restored to the time limits and change the tracking code to "RM" for each adult BG member for that month. If more than one month needs to

be restored, then each month should be done separately on FITL screen. Adjustments should only be made on FI claims established for October 1996 and subsequent months.

3. The RCW must add a statement to the overpayment demand letter which notifies the BG that the amount of FI benefits has been adjusted.
4. The RCW will set a CHIP alert to advise the FI eligibility specialist of the recipient's restoration of months.

A BG with a claim due to client error or fraud must have any total ineligible months restored to the BG at the point in time that the overpayment is paid in full. The following process must be adhered to:

1. The RCW will establish the FI claim on CHIP and determine whether total ineligibility exists.
2. If total ineligibility exists, the RCW should add a statement to the overpayment demand letter which notifies the BG that the total number of FI months used will be adjusted once the overpayment is paid in full.
3. The RCW should monitor CHIP report MR571, Claims Paid In Full, on a monthly basis to determine if adjustments should be made to CHIP screen FITL. If an adjustment should be made, the RCW must identify the month that should be restored to the time limits and change the tracking code to "RM" for each adult BG member. Adjustments should only be made on FI claims established for October 1996 and subsequent months.
4. The RCW will set a CHIP alert to advise the FI eligibility specialist of the recipient's restoration of months.

6.4 Establishing Claims on Persons Unknown to CHIP

To establish an overpayment claim (as in the case of misrepresentation of the BG's circumstances by the authorized representative or sponsor) for persons not known to CHIP when the SSN is available to the RCW:

1. Have clerical staff register the case in CHIP.
2. Once registered, immediately deny the case using denial code "CC" (open/closed).
3. Determine the amount of overpayment by processing a mini budget on the FSMB screen in CHIP for each month an overpayment occurred using the actual circumstances of the BG.
4. Deduct the resulting coupon allotment from the actual benefit amount received.

5. Reduce the difference between the allotment received and the amount of benefits the BG was entitled to receive by any benefits expunged from the EBT account to determine the claim amount.
6. Enter the claim amount by month on the CLAU - Part 1 screen.

To establish a claim for trafficking offenses for persons not known to CHIP when the SSN is available to the RCW:

1. Have clerical staff register the case in CHIP.
2. Once registered, immediately deny the case using denial code "CC" (open/closed).
3. Determine the amount of claim by adding the value of all EBT transactions considered trafficked.
4. Reduce the total by any benefits expunged from the EBT account to determine the claim amount.
5. Enter the claim amount on the CLAU - Part 1 screen as a total using any month of a trafficking offense as the claim month.

NOTE: Federal regulations specify that DSS cannot require individuals serving as authorized representatives or sponsors of non-citizens to provide DSS with their Social Security Numbers (SSNs). Also, SSNs may not be available for individuals who have committed trafficking offenses. Although the EW can register an individual in CHIP, the system will not process a claim without an SSN.

6.5 Notification of a Claim

The RCW must mail, or otherwise deliver to the BG, written notification of any claim. The claim will be considered established for tracking purposes as of the date of written notification; for this purpose, the initial demand letter. The initial demand letter is CHIP Notice C500, Overpayment Demand Letter, or in the case of an overpayment calculation using the ESC wage match data, CHIP Notice C501, Overpayment Demand Letter, ESC Data.

6.6 Transferring Established Claims

When an eligibility case is transferred from one county to another, all established claims are transferred automatically on CHIP. It is important that the claims case file is also transferred to the appropriate claims unit to ensure that the claims file is available to the RCW, who may need to respond to inquiries from the client or about the established claim.

Chapter 7 Adjudicating Claims

7.1 Disqualification from FS Participation

A person who intentionally violates FS Program regulations can be disqualified from FS participation. Disqualification can occur regardless of the current eligibility of the accused. One of the following adjudication processes must occur to classify a suspected intentional program violation as an IPV or SF/FR:

Claim Classification	Adjudication Action
FS IPV	Administrative Disqualification Hearing (ADH) or Administrative Consent Agreement (ACA)
FS SF/FR, FI SF/FR, SS IPV	Court referrals

7.2 Claims Review Process for FS Intentional Program Violations

The RCW may choose to use a group review process to screen claim types of IPV or SF/FR to protect clients from possible errors in assigning these claim classifications which carry a disqualification from program participation. If a review group is used, the group should be composed of at least RCW's and may include other staff members with a vested interest in food stamps and benefit integrity. The group can be used to examine the basis of the claim, the evidence

on hand, and all other aspects of the claim and make one of the following determinations on the claim:

1. The basis of the claim is unfounded so there is no claim.
2. More information needs to be gathered and the case should be presented at a later time.
3. The FS claim is due to IPV and should be adjudicated administratively.
4. The claim is due to SF/FR and should be referred to the DOI in the Office of General Counsel at State Office.
5. The claim is not due to IPV or SF/FR and should be processed as AG or CL.

7.3 Administrative Disqualification Hearing (ADH)

The Administrative Disqualification Hearing (ADH) is an official hearing before an impartial Hearing Officer in FS cases where an individual is suspected of an IPV. The ADH determines intent to defraud, or guilt, on the part of the suspected individual; the amount of the overpayment is not an issue. An ADH is held:

1. When a case is not being referred to the DOI of the Office of General Counsel at State Office for prosecution in a court.
2. When the suspected individual has chosen not to waive his right to an ADH.
3. When a referral to the DOI for court prosecution has been withdrawn because no action has been taken on the referral in a reasonable time period.
4. When a referral to the DOI for court prosecution has been rejected for prosecution by the Circuit Court Solicitor.

An ADH must not be used in:

1. Cases currently referred to the DOI for court prosecution.
2. Subsequent to any court action taken against the accused, if the factual issues of the case arise from the same or related circumstances.

7.4 Referring FS Claims for ADH's

When referring FS claims for ADHs, the RCW:

1. Sends a copy of the claim and summary to Individual and Provider Rights at State Office to schedule a hearing. This information must be forwarded under a cover letter which includes the case name, CHIP case number, individual's SSN, individual's (BG's) current address., number of offense (first, second, or permanent), time period of disqualification (6 months, 12 months, 24 months or permanent).
2. Sends a copy of the claim summary to the accused.

NOTE: Any evidence of the claim that the RCW plans to submit at the ADH must be provided to the accused with the copy of the claim summary.

The Hearing Officer schedules a timely date for the ADH and notifies the RCW and the accused of this date.

NOTE: If an ADH scheduling notice is returned to the Hearing Officer by the postal service on an active case, there may be information that needs to be resolved regarding current benefit eligibility. In this case, the EW must be notified. An appointment should be scheduled with the recipient to resolve questionable information and the ADH scheduling notice should be given to the accused at this time.

7.5 ADH Procedures

The following chart lists ADH procedural responsibilities:

Role	Responsibility
Hearing Officer	Explains the rules which will govern the ADH, swears each party in, rules on admission of evidence, disallows inadmissible evidence, including hearsay, questions witnesses to discover facts in case, may issue subpoenas, may continue case, may dismiss case, and makes a decision based on the evidence presented at the hearing.
RCW	Cites the basis of the overpayment and the time period covered by the claim, proceeds chronologically through the case record by presenting evidence which proves the IPV, and introduces testimony of witness to support the case.
Accused	Presents evidence to rebut the testimony of the RCW and introduces testimony of witnesses to support his case.. <i>NOTE: The accused may have an attorney or representative present.</i>

NOTE: An individual does not face termination from the FS Program if the accused fails to attend an ADH nor is the individual determined guilty of the IPV for failure to appear at the ADH unless the RCW is able to successfully argue the case before the hearing officer.

When the hearing is concluded, the ADH is formally ended; however, the record may be left open for a designated time period. Following the hearing, the Hearing Officer will render a decision and notify the accused, the county office, and the RCW of the findings. The ADH decision is final and binding but can be appealed by the accused to the Administrative Law Court. If the accused is found guilty by the Hearing Officer, a disqualification from FS participation will be set out in the decision and imposed by the RCW. If the individual is not found guilty, no disqualification will occur and the claim must be reclassified as a CL.

CAUTION: No further action on the case can occur until the Hearing Officer renders a decision. Any disqualification action is dependent upon this decision.

7.6 Fair Hearings Combined with ADH's

A fair hearing cannot be combined with an ADH when the facts about the case involve the same or related circumstances. A fair hearing will be conducted and a committee will make the decision

regarding the fair hearing. A separate ADH will be conducted and the Hearing Officer will make the ADH decision.

7.7 Administrative Consent Agreements (ACA's)

For FS claims, an individual suspected of an IPV may choose to waive his/her right to an ADH. The formal waiver document is the DSS 1648, Administrative Consent Agreement Waiver of Hearing and Consent to Disqualification (ACA). Attempting to obtain an ACA from the accused is automatic if an ADH is the recommended method of adjudication.

For an ACA, the RCW will:

1. Schedule an interview with the accused to discuss the overpayment and initiate the ACA if the adjudication method recommended is an ADH.
2. Obtain the signatures of the respondent, head of household, and RCW during the face-to-face interview. These signatures cannot be obtained through the mail unless the health, disability, or special circumstances (such as residency outside of the state) of the respondent prevents him/her from appearing for a face-to-face interview and the respondent had a full explanation of the ACA process.
3. Provide a copy of the signed waiver to the respondent and the head of household and file the original in the claims case file.
4. Provide a copy of the signed waiver to Individual and Provider Rights at State Office if an ADH has been requested.

In some situations, an individual who has signed an ACA may choose to withdraw this ACA and proceed with an ADH and may do so prior to the imposition of the disqualification for the IPV. This withdrawal must be in writing and filed in the claims case file. Once the imposition of the IPV disqualification has occurred, no further appeal procedures exist for the individual who has waived his right to an ADH.

7.8 SF/FR Claims Sent to the Division of Investigation (DOI)

With the concurrence of the DOI of the Office of General Counsel at State Office the RCW should refer to the DOI any case which is appropriately classified as SF/FR. The following are some types of IPV's that may be considered for prosecution by the DOI:

1. Cases involving forged signatures or false or forged documents and the claim amount exceeds \$1,500.

2. Cases where the responsible individual has been found to have committed two prior IPV's and the claim amount exceeds \$1,500.
3. Cases involving collusion between the client and another person to obtain benefits when the claim amount exceeds \$1,500.
4. Cases where the responsible individual has received benefits using multiple identities or multiple SSN's.
5. Cases where the responsible individual is presently a resident of South Carolina and received benefits in more than one state with South Carolina being the state where the over-issuance occurred.
6. Cases which involved the conversion of FS benefits to drugs or firearms.

7.9 Claims Not Sent to the Division of Investigation (DOI)

The following claims will not be sent to the DOI of the Office of General Counsel at State Office for prosecution:

1. Claims in which the responsible party is over 60 years of age or disabled.
2. Claims in which the overpayment period ends one year or longer prior to the date of referral to the DOI.

7.10 Making a Referral to the Division of Investigation (DOI)

A proper referral to the DOI of the Office of General Counsel at State Office is the responsibility of the RCW who established the claim. This referral should include:

1. A DSS 16123, Authorization to Prosecute, signed by a supervisor or county director, which describes the claim period, cause, and evidence available to prove the claim.
2. A copy of the DSS-2619A, Account of Claim Activity, and the DSS-2619B, Account of Claim Activity/ Part 2 (IPV/FR).
3. A statement about the age, health, and physical condition of the person responsible for the claim.
4. A statement about program participation of the BG at the present time.
5. The case file and other evidence to prove the claim.

6. A statement concerning the financial condition of the person responsible for the claim which includes information about employment and other income of all BG members, bank accounts, real estate and personal property owned (such as cars, boats, etc.). If this information is not known, statement should include that it is unknown.
7. A summary of the RCW's or county's contact with the responsible party or other persons about the claim, if not included on the DSS-2619A or DSS-2619B.

The RCW should keep a log of all cases referred to the DOI which contains the case number, case name, program, and date the claim was referred to the DOI. It should also note any disposition of the referral and the date of the disposition. The DOI will notify the RCW of the findings and disposition upon taking any referred case to court. The RCS will use the MR595 Report, Claims at Department of Investigations, issued in June and December of each year, to monitor the status of claims at the DOI. Claims that have been at the DOI for 24 month or longer should be researched by the RCW to determine if prosecution is unlikely and another form of adjudication should be sought.

7.11 Pre-Trial Intervention for Claims Referred to the Division of Investigation (DOI)

A claim is considered an IPV when an individual enters into a plea bargain or similar negotiations to avoid being adjudicated as guilty, but agrees to pay the overpayment without admitting guilt.

The DOI may work with the prosecutor for a pre-trial agreement (Pre-Trial Intervention) with the individual for deferred adjudication which is approved by the court. The formal agreement used in these situations is a DSS 2659, Deferred Adjudication Disqualification Consent Agreement (DCA).

The DCA is used at the following time:

1. In cases in which a determination of guilt is not obtained from a court because the accused individual has met the terms of a court order.
2. In cases which are not prosecuted due to the accused individual having met the terms of the agreement with the prosecutor.

7.12 Repayment Agreements on Claims Referred to the Division of Investigation (DOI)

Repayment agreements will not be signed and demand letters will not be sent on cases referred to the DOI, nor will payment plans and start months be entered on CHIP for automated recoupment from program benefits. The RCW will enter a "Y" in the DOI field on the Claim Modification Screen Part 2 (CLMO Part 2) on CHIP. This is necessary to prevent collection activity on delinquent claims prior to adjudication. The RCW will advise the DOI of any voluntary payments made by the client and should inform the client that payments will not affect the status of any criminal investigation.

Chapter 8 Disqualification for IPV's in the FSP

8.1 Disqualification Time Frames

An individual, not a BG, who has been determined to have committed an intentional program violation in the FSP either through an ADH, ACA, DCA, or by a federal state or local court is disqualified from participating in the FSP for the time periods listed on the following chart. No additional BG members may be disqualified unless there is convincing evidence of their complicity in committing the IPV.

Offense	Time Period
Any IPV or SF/FR prior to 04/01/1983 <i>NOTE: One or more IPV's which occurred prior to 04/01/1983, shall be considered as only one previous disqualification when determining the appropriate penalty to impose in a case under consideration.</i> <i>CAUTION: When the disqualification was imposed prior to 04/01/1983, but was discontinued prior to completion due to the subsequent ineligibility of the BG, consider that disqualification to be completed.</i>	3 Months
First offense between April 1, 1983 and September 22, 1996	6 months
First offense after September 22, 1996	12 Months
Second offense between April 1, 1983 and September 22, 1996	12 Months
Second offense after September 22, 1996	24 Months
Third offense	Permanently

Although the third offense for an IPV carries a permanent disqualification, IPV's beyond the third offense should be adjudicated as IPV. This allows for both tracking of the IPV classification and enables DSS to recoup at the 20% reduction allowed for IPV. It also provides a higher rate of retained funding to the State.

Individuals are also disqualified from FS as a result of buying firearms, ammunition, explosives, or illegal drugs with FS or trafficking benefits for an aggregate amount of \$500 or more as determined by a court for the following time periods:

Offense	Time Period
First offense of buying illegal drugs with FS	2 Years
Second offense of buying illegal drugs with FS	Permanently
First offense of buying firearms, ammunitions, or explosives with FS	Permanently
First offense convictions by a federal, state, or local court for trafficking benefits of an aggregate amount of \$500 or more	Permanently

CAUTION: The same act of IPV repeated over a period of time must not be separated so that separate penalties can be imposed.

Individuals are also disqualified from FS if found to have made a fraudulent representation with respect to his/her identity or place of residence in order to receive multiple simultaneous FS benefits:

Offense	Time Period
First and/or subsequent offense	10 Years

When a case is referred to a court for prosecution, the length of the disqualification period may be set by the court. When the court does not set a disqualification period, use the above time periods.

8.2 Imposing the Disqualification

One of the individual(s) found to have committed the IPV, or who signed the ACA or DCA, shall be disqualified, and not the entire BG. Individuals who have been determined to have committed an IPV or SF/FR in FS will have their disqualification imposed the month following the date of adjudication, whether the client participates in FS or not. When the court has established guilt of an individual for an intentional violation, start the disqualification period based on the terms of the court

order. If the court order does not stipulate, impose the disqualification the month following the date of adjudication.

If a court fails to impose a disqualification period for any IPV, the RCW shall impose the appropriate disqualification penalty based on the offense, unless in contrary to the court order. The RCW will use the CHIP Notice F503, Food Stamp IPV Disqualification, to notify the individual(s) of the disqualification.

NOTE: Even though only the individual(s) is disqualified, the BG is responsible for the restitution of the overpayment resulting from an IPV.

If the individual is found to have committed an intentional violation that occurred prior to an existing violation, do not impose a disqualification for this new determination unless it has been specified in a court order. Once the disqualification period starts, it continues until it is completed, even if the remaining eligible BG members subsequently become ineligible for benefits.

An AG claim must be established if benefits are over-issued due to failure to impose a disqualification period correctly or timely.

To end the disqualification, add the disqualified member(s), if otherwise eligible, back to the BG effective the month after the disqualification period expires.

8.3 The Disqualified Recipient Subsystem (DRS)

Since the FS Program is a federal program, eligibility rules and sanctions are uniform throughout the United States. If a person has a disqualification imposed for an IPV in one state and moves to another, the remainder of the disqualification must be served in the new state. All disqualifications for IPV's are entered into the Disqualified Recipient Subsystem (DRS) and queried whenever a person makes application/reapplication for FS. Social Security Numbers (SSNs) are used in computer matching to indicate if the person is disqualified in another county or state.

DRS must be queried whenever a person makes application/recertification for participation in the FSP. The clerical worker performs the following procedures :

1. Register the new application, reapplication or recertification.
2. Check the NDQ Indicator as shown on CHIP screens CLIS, CLPR, or REAP. The NDQ Indicator will show a "Y" if the person has a national disqualification.
3. Notify the eligibility worker of the findings.

DRS screens in CHIP may be accessed from CLAR (function 10). To inquire on a DRS record, access the INIM (function 3). Inquiries may be processed by SSN or County #. The screens displayed, NDIN (by SSN) and NDUR (by county #) provides data on the national database and update records to be submitted to the national database. NO changes can be made from these screens.

To add a new record or update an existing DRS record, from INME, tab to "next" and enter NDUM. Enter the individual's SSN and select the activity code corresponding to the action to be taken and "enter". The NDUP screen will display. Select the appropriate activity and enter the necessary information on the screen. The following table shows the DRS codes and penalties:

Code	Type of Offense	Length of Disqualification
A	Drug trafficking conviction involving less than \$500	1 st Offense: 24 months 2 nd Offense: Permanent
B	Any trafficking conviction (including drugs) involving \$500 or more	1 st Offense: Permanent
C	Firearms trafficking conviction (any amount)	1 st Offense: Permanent
D	Trafficking/ Administrative Finding	1 st Offense: 12 months 2 nd Offense: 24 months 3 rd Offense: Permanent
E	Duplicate Participation	1 st Offense: 10 years 2 nd Offense: 10 years 3 rd Offense: Permanent
F	Application Fraud, including non-report of changes	1 st Offense: 12 months 2 nd Offense: 24 months 3 rd Offense: Permanent
Z	Other Intentional Program Violations	1 st Offense: 12 months 2 nd Offense: 24 months 3 rd Offense: Permanent

The Disqualification Effective Date (DED) field on screen NDIN is the date the disqualification becomes effective. The DED will always be the first day of the month following the Disqualification Decision Date (DDD). The DED and the actual START date may differ due to various reasons such as the clients right to a fair hearing before disqualification actually occur or

actual START dates may be court ordered. This will not affect the DED. The disqualification period is always tracked from the DED regardless of the actual disqualification START date.

DRS will automatically calculate disqualification length and DED. Numerical codes for disqualification lengths are 12 = 12 month. 24 = 24 months, 97 = 10 years, 99 = permanent. Disqualification length is based first on disqualification number and second on type of offense code. For example, a first disqualification code of “F” = 12 months (12); a second disqualification code of “A” = permanent (99). Because it is a second offense, the penalty length is applied for the second offense under the appropriate “Type of Offense”. It does not matter that the first offense was under another “Type of Offense”. It is possible to manually manipulate disqualification length in such cases as ordered by the court by entering the number of months ordered. Since the system will only accept 2 digits in this field, disqualifications that are not permanent and are over the 96 months should be coded as “98”.

Updating an existing DRS record or the establishment of a new record is limited to a defined period of time each month. Until the updated records are returned, no update capability will be available. Inquiry into DRS records is available at all times.

The RCW may use DRS data to determine the appropriate disqualification time period based on the number of past disqualifications an individual may have. Verbal confirmation (voice response unit) obtained by the NDQ State Coordinators may be accepted for the initial assessment but documentation must be obtained before a final determination of the time period can be made. Confirmation and information from other states must be requested through the Benefit Integrity Coordinator at State Office.

The RCW will use the following reports to maintain activity related to the DRS System:

1. FSDR 009-R4 (State Transmission Edit Report – Fatal Errors) (Monthly) This report provides identifying information for records submitted to the national DRS database and rejected due to a fatal error situation. This report is distributed to RCW’s for correction by the next DRS data submission cycle.
2. MR 730 (DRS Clients completing Disqualification for Budgeting in Month/Year) (Monthly) This report identifies individuals who have FSP eligibility participation codes denoting IPV’s whose disqualification periods are ending the following month and need to be returned to the FS budget under an active participation code. This report is acted on each month by RCW’s to ensure that individuals completing disqualifications have been added back to the budget, if still qualified. This report will also identify overpayment situations for individuals who were added back to the FS budget prior to completing their disqualification period. This report may also identify situations that occur because action was not taken on individuals who should have been added back to the FS budget at an earlier date.
3. MR 755 (Disqualified Clients Not on DRS who Participated in Month/Year) (Monthly) This report identifies individuals with a FS eligibility participation code indicating a disqualification for IPV but who are not listed on the DRS database. This report is acted on each month by RCW’s to ensure that IPV disqualifications are added to the DRS. This

report may also identify cases with incorrect participation codes where an individual was coded as disqualified for IPV but should have been coded as disqualified for some other reason.

Chapter 9 Recipient Rights to a Fair Hearing

9.1 Recipient Rights to a Fair Hearing

The client has a right to a fair hearing if he/she does not agree with the amount of the claim or its classification.

The Family independence (FI) BG may request a fair hearing to challenge any aspect of the claim. The period to request a fair hearing is 60 days from the date of the first written notification of the claim. Five days should be allowed for mail delivery of notices.

The Food Stamp (FS) BG may request a fair hearing to dispute the amount, basis of the claim, or classification of a client error. The period to request a fair hearing is 90 days from the date of the first written notification of the claim. Five days should be allowed for mail delivery of notices.

9.2 Collection Activity on Claims Requesting Fair Hearings

Reduction of FI or FS benefits to collect claims must be appealed within 10 days of written notification of the reduction of benefits for recoupment. If automated recoupment is not appealed within 10 days, the recoupment will remain in place. The client may request a fair hearing for other aspects of the claim that may be appealed. Anytime collection action has begun on a claim and the BG requests a fair hearing, no action regarding delinquent status of the claim shall be taken until the Fair Hearing Committee has rendered a decision.

If the fair hearing decision determines that a claim does exist against the BG, the BG must be re-notified of the claim. Delinquency must be based on the due date of this subsequent notice and not on the initial pre-hearing demand notice sent to the BG.

The RCW will use CHIP Notice C504, Loss of Fair Hearing to Contest a Claim, to notify the client of the loss of the hearing and need to negotiate a repayment.

Chapter 10 Repayment of Claims

10.1 Repayment Agreements

Regardless of the classification of a claim, it is of primary importance to have the client sign a repayment agreement, DSS 2627A, Repayment Agreement and Acknowledgement of Debt. The repayment agreement must contain due dates or time frames for the periodic submission of payments. It must also specify that the BG will be subject to involuntary collection action(s) if payment is not received by the due date and the claim becomes delinquent.

DSS must accept any payment for a claim whether it represents full or partial payment in any of the acceptable forms of repayment. Acceptable forms of repayment are:

1. Reducing benefits prior to issuance. This includes allotment reduction and offsets to restored benefits.
2. Reducing FS benefits after issuance. These are benefits from electronic benefits accounts.
3. Accepting cash or any of its generally accepted equivalents. These equivalents include check or money order.
4. Requiring the BG to perform public service.

The RCW must reduce any restored benefits owed to a BG by the amount of any outstanding claims. This may be done at any time during the claim establishment and collection process.

10.2 Allotment Reduction for Claims Repayment

The following is allotment reduction policy:

The RCW Must	Unless
Automatically collect payments for any claim by reducing the amount of monthly benefits that a BG receives by: <ol style="list-style-type: none">1. The greater of \$10 or 10% of the BG's monthly allotment for FI, SS, FS AG and FS CL claims OR2. The greater of \$20 or 20% of the BG's monthly entitlement for FS IPV and FS FR claims.	<p>The claim is being collected at regular intervals at a higher amount or another BG is already having its allotment reduced for the same claim.</p> <p><i>NOTE: The RCW may continue to use any other collection method against any liable individual who is not a current member of the BG that is undergoing allotment reduction.</i></p> <p>The BG agrees to a higher amount (percentage) of allotment reduction.</p> <p>The BG agrees to a higher amount (percentage) of allotment reduction.</p>
Not reduce the initial allotment when the BG is first certified.	The BG agrees to this reduction.
Not use additional involuntary collection against individuals in a BG that is already having its benefits reduced.	The additional payment is voluntary, or the source of the payment is irregular and unexpected.

10.3 Repayment with Benefits from EBT Accounts

The RCW must allow a BG to repay its FS claim using benefits from its EBT account. The RCW must comply with the following EBT benefit claims collection and adjustment requirements:

For the BG's request to repay from EBT benefits, the RCW will:	Or	And
<p>Need a written agreement with the BG to collect a claim using active EBT benefits that includes:</p> <ol style="list-style-type: none"> 1. A statement that the collection is strictly voluntary 2. The amount of the payments 3. The frequency of the payments (whether monthly or one time only) 4. The length (if any) of the agreement 5. A statement that the BG may revoke this agreement at any time. <p><i>NOTE: The written agreement used for repayments made from active (or reactivated) EBT benefits is the DSS-12102, EBT Request for Debit.</i></p>	<p>Oral permission for one time reductions with the RCW sending the BG a receipt for the transaction within 10 days.</p>	<p>Rules governing the amount of collected dollars retained by DSS do apply to this collection.</p>

Or:

For repayment resulting from notices mailed to BG's who have not accessed their account in 90 days, the RCW will:	And	And
<p>Mail, or otherwise deliver to the BG written notification of DSS's intent to apply the benefits to the outstanding claim. If the BG does not notify the RCW within 10 days, the RCW will debit the EBT account and apply these benefits to the FS overpayment.</p>	<p>Give the BG at least 10 days to notify the CCU that it does not want to use these benefits to repay the claim.</p>	<p>Rules governing the amount of collected dollars retained by DSS do apply to this collection.</p>

Or:

For making an adjustment with expunged benefits, the CHIP System will:	And	And
Adjust the amount of any claim by subtracting any expunged amount from the EBT benefit account from the amount of the claim.	This can be done anytime.	Rules governing the amount of collected dollars retained by DSS do not apply to this collection.

The following process will be used for the repayment of FS recipient claims by benefits in the EBT account:

1. The RCW will meet with the client to discuss repayment of the claim. The client will have the option to select repayment by using benefits in their EBT account.
2. The RCW will complete and obtain the client's signature on the DSS 2627A, Repayment Agreement and Acknowledgement of Debt.
3. The RCW will complete the DSS 12102, EBT Request for Debit, in duplicate and obtain the client's signature.
4. The RCW will fax a copy of the DSS 12102 to the EBT office at fax # (803) 898-7313 to debit the EBT account and then file a copy in the case record. For BGs that want to debit on a monthly basis, the DSS 12102 must be faxed every month.
5. SC EBT will debit the EBT account for the amount indicated on the DSS 12102 within 24-48 hours of receipt of the debit request.
6. Verification of the EBT debit will then be forwarded to the individual in the county who is responsible for posting recipient claims payments to CHIP. This individual will:
 - Go to the Claims and Recovery (CLAR) menu in CHIP
 - Access the Direct Recovery Screen (DIRE)
 - Enter the amount of payment
 - Enter the method of payment as food stamps (FS)
 - Enter the receipt number as 999999. CHIP will default to current date

- Press enter to process

All payments posted using Receipt Number 999999 will be considered payments received through benefits in the EBT account.

10.4 Repayment by Public Service

If authorized by a court, the value of a claim may be paid by the BG performing the public service. If the court does not determine the value of the public service, the RCW will use the minimum hourly wage as the value of service.

10.5 Bankruptcy

DSS may act on the federal government's behalf in any bankruptcy proceeding against a bankrupt BG with outstanding claims. The RCW will forward any notification of bankruptcy proceedings to the Benefit Integrity Coordinator at State Office immediately and will cease any collection activity on the BG until notification from State Office that the bankruptcy status has been determined. The Benefit Integrity Coordinator will coordinate with the Office of General Counsel to ensure that proper action is taken.

10.6 Interstate Claims

The RCW is responsible for initiating and continuing collection action on any FS claim regardless of whether the BG remains in South Carolina (SC). The RCW will accept from another state a claim for a BG moving into SC. Transfers from SC and requests to other states to transfer a claim to SC should be made to the Benefit Integrity Coordinator at State Office.

10.7 Unspecified Joint Collections

When an unspecified joint collection is received for combined FI/FS claims, each program must receive its pro rata share of the amount collected. An unspecified joint collection is when funds are received in response to correspondence or repayment agreements that contained both the FS and FI claims and the debtor does not specify to which claim to apply the collection.

10.8 Refunds for Overpaid Claims

When a BG overpays a claim, the RCW must provide a refund for the overpaid amount, if it is above the threshold for a refund, as soon as possible after DSS becomes aware of the overpaid amount. The threshold for a refund is \$25.00. Requests for refunds must be made through Financial Services at State Office. Overpaid claims that are under the threshold for a refund are to be adjusted upward through the claims modification process to zero out the claim. The BG is

not entitled to a refund if the overpaid amount is attributed to an expunged EBT benefit. The RCW should monitor the MR 537 Report, Outstanding Claims, Negative Balances, issued monthly to ensure that refunds have been requested, or modified if under the refund threshold, for all claims assigned to a county site.

10.9 Retention Rates for Collected Claims

DSS's retention rates for collected dollars are as follows:

If you collect a:	The retention rate is:
FI AG, CL or FR	100%
FS IPV or FS FR	35%
FS CL	20%
FS AG	0

***NOTE:** These rates do not apply to any reduction in benefits resulting from disqualifying someone for an FS IPV or SF.*

Chapter 11 Delinquent Claims

11.1 Determining Delinquency for Claims

A claim must be considered delinquent if:

1. The claim has not been paid by the due date on the initial demand letter and a satisfactory repayment agreement has not been made.

NOTE: The claim will remain delinquent until payment is received in full, a satisfactory repayment agreement is negotiated, or allotment reduction is invoked.

2. A repayment agreement has been made and a scheduled payment has not been made by the due date. The date of the delinquency of a claim in this category is the due date of the missed payment.

NOTE: The claim will remain delinquent until payment is received in full, allotment reduction is invoked, or DSS determines to either resume or renegotiate the repayment agreement.

A claim will not be considered delinquent if another claim for the same BG is currently being paid either through a repayment agreement or allotment reduction and DSS expects to begin collection on the claim once the prior claim(s) is settled. A claim is not subject to the requirement for delinquent debts if DSS is unable to determine delinquency status because collection is coordinated through the court system.

11.2 Delinquent Claims Referred to the Claims Collection Unit (CCU)

Claims that are 90 days delinquent may be referred to the Claims Collection Unit (CCU) at State Office. The CHIP System automatically transfers these claims from the county to CCU (on CHIP) at a monthly delinquency determination. Once a delinquent claim has been transferred to CCU, the primary responsibility for collection action belongs to CCU. CCU will initiate collection on delinquent claims by:

1. The SC Department of Revenue Debt Offset Program for FI and FS claims for claims at least 90 days delinquent.
2. The Federal Treasury Offset Program (TOP) for FS claims at least 180 days delinquent.

All claims transferred from the county to CCU on CHIP that are not referred to either the SC Department of Revenue Debt Offset Program or TOP will be transferred by CHIP from CCU back to the county. These will be any claim with a TRO indicator of "N" on CLHL.

11.3 Terminated Claims

A terminated claim is a claim on which collection action has ceased.

11.4 Written Off Claims

A written off claim is a claim that is no longer considered a receivable subject to collection and reporting requirements. To write off a claim, the RCW must contact Rose Martinez-Vazquez with Financial Services through DSS e-mail or fax # (803) 898-7197.

11.5 Terminating and Writing Off Claims

The following is DSS's claims termination and claims write off policy:

If the RCW	Then the RCW	Unless
1. Finds that the claim is invalid	Must discharge the claim as created in error and reflect the event as a balance adjustment rather than a termination.	It is appropriate to pursue the overpayment as a different type of claim.
2. Finds that all adult BG members have died	Must terminate and write off the claim.	The RCW plans to pursue the claim against the estate.
3. Finds that the claim balance is \$25 or less and the claim has been delinquent for 90 days or more	Must terminate and write off the claim.	Other claims exist against the BG resulting in an aggregate claim total of greater than \$25.
4. Determines that it is not cost effective to pursue the claim any further.	Must terminate and write off the claim.	
5. Finds that the claim is delinquent three years or more	Must terminate and write off the claim.	DSS plans to continue to pursue collection of the claim through the SC Department of Revenue Debt Offset Program or for FS claims, the Federal Treasury Offset Program (TOP).
6. Cannot locate the BG	May terminate and write off the claim.	
7. Determines that a new collection method or specific event substantially increases the likelihood of further collections	May reinstate a terminated and written off claim.	

Chapter 12 Recipient Claims Cases File

12.1 Recipient Claims Case File Format

Any action taken to establish a possible claim referral must be thoroughly documented in a recipient claims case file. This file keeps all information related to the claim from detection to final closure in a single place. It is essential that complete documentation be maintained as DSS must be able to prove all claims in any administrative hearing, court of law, or for state and federal income tax refund offset programs.

The recipient claims case file order from bottom up, on the right-hand side of the folder is as follows:

1. Any information supplied with the DSS 1680, Possible Claims Referral
2. DSS 1680
3. Any additional data that substantiates the claim
4. CHIP screens, by month, before and after changes affecting the overpayment
5. CHIP screens AFDC Allotment Determination (AFPD) and Food Stamp Allotment Determination (FSAD)
6. CHIP screens AFDC Issuance History (AFIH) and Food Stamp Issuance History (FSIH) to validate issuance during the overpayment period
7. CHIP screen Claim History (CLHI)
8. Documentation relating to administrative or judicial adjudication processes, when appropriate
9. Copy of repayment request and notice that informs the BG of the claim

The recipient claims case file order from bottom up, on the left-hand side of the folder is as follows:

1. CHIP screen Set-up Participation (SEPA) which verifies participation of all BG members for liability purposes for the first month of the claim and any subsequent month in which there is a change to SEPA
2. CHIP screen SSN/Date of Birth (SSDO) for the first month of the claim which verifies the age of the BG members at the time of the overpayment and establishes liability for the claims
3. National Disqualification Update Screen (NDUP) screen, if disqualification for an intentional program violation is applicable
4. DSS-2619, Account of Claim Activity

Recipient claims case files should be identified by client name, case number, and classification of claim. In the event that there are multiple claims on a single BG, the case files should be grouped together to allow all claims to be located at one time.

The client does not have the right to view a claims file that may contain information relating to the investigation of alleged criminal activity and, therefore, not subject to the Privacy Act.

NOTE: The client does have the right to view the eligibility file.

12.2 Retention of Recipient Claims Case Files

Recipient claims case files on established claims must be retained for three years past the date:

1. The claim was paid in full
2. The claim was written off

If multiple claims case files exist on one BG and there is a claim which has not met the retention requirement, information on all claims must be retained. All claims case files relating to the disqualification on a person for intentional program violations must be maintained on a permanent basis. This information cannot be destroyed.

Chapter 13 Food Stamp Management Evaluation (ME)

13.1 Management Evaluation (ME) Review Objectives

Under the Food Stamp Act, each State agency is responsible for the administration of the Food Stamp Program in accordance with the Act, Regulations, and the State agency's plan of operation. To fulfill the requirements of the Act, each State agency shall have a system for monitoring and improving its administration of the program. The State agency is also responsible for reporting on its administration to FNS. These reports shall identify program deficiencies and the specific administrative action proposed to meet the program requirements established by the Secretary. If it is determined, however, that a State has failed without good cause to meet any of the program requirements established by the Secretary, or has failed to carry out the approved State plan of operation, the Department shall suspend and/or disallow from the State such funds as are determined to be appropriate.

To ensure compliance with program requirements, Management Evaluation (ME) reviews shall be conducted to measure compliance with the provisions of FNS regulations. The objectives of an ME review are to:

1. Provide a systematic method of monitoring and assessing program operations in the project areas
2. Provide a basis for project areas to improve and strengthen program operations by identifying and correcting deficiencies
3. Provide a continuing flow of information between the project areas, the States, and FNS, necessary to develop the solutions to problems in program policy and procedures

13.2 Frequency of ME Review

State agencies shall conduct a review once every year for large project areas, once every two years for medium project areas, and once every three years for small project areas, unless an alternate schedule is approved by FNS.

13.3 ME Review Coverage

State agencies shall be responsible for reviewing each national target area or other program requirement based upon the provisions of the regulations governing the Food Stamp Program and the FNS-approved Plan of Operation. When, in the course of a review, a project area is found to be out of compliance with a given program requirement, the State agency shall identify the specifics of the problem including: the extent of the deficiency, the cause of the deficiency, and, as applicable, the specific procedural requirements the project area is misapplying.

The State agency shall ensure that appropriate corrective action is taken on all deficiencies at the project area level. Moreover, when a substantial number of deficiencies are identified which require corrective action, the State agency shall establish an order of priority to ensure that the most serious deficiencies are addressed immediately and corrected as soon as possible.

13.4 Corrective Actions Plans for ME Review

The State agency shall ensure that corrective action plans are prepared by county offices, addressing those deficiencies identified in the ME review. These corrective action plans shall be open-ended and shall remain in effect until all deficiencies in program operations have been reduced substantially or eliminated. As deficiencies are reduced substantially or eliminated, the county office shall notify the Benefit Integrity Coordinator in writing. County corrective action plans shall contain all the information necessary to enable the State agency to monitor and evaluate the corrective action properly. These include:

1. Specific description and identification of each deficiency
2. Source(s) through which the deficiency was detected
3. Magnitude of each deficiency, if appropriate
4. Geographic extent of the deficiency
5. Identification of causal factor(s) contributing to the occurrence of each deficiency
6. Identification of any action already completed to eliminate the deficiency
7. For each deficiency, an outline of actions to be taken, the expected outcome of each action, the target date for each action, the date by which each deficiency will have been eliminated

8. For each deficiency, a description of the manner in which the county office will monitor and evaluate the effectiveness of the corrective action in eliminating the deficiency

13.5 Monitoring and Evaluation of ME Corrective Action

The State agency shall establish a system for monitoring and evaluating corrective action. Monitoring and evaluation shall be an ongoing process to determine that deficiencies are being substantially reduced or eliminated in an efficient manner and that the corrective action achieves the anticipated results within the specified time frames.

In instances where the State agency determines that the proposed corrective action is not effective in reducing substantially or eliminating deficiencies, the State agency shall promptly reevaluate the deficiency, causes, and the corrective action taken, and develop and implement new corrective actions.

Chapter 14

Chapter 14 Benefit Integrity Forms, Notices and Reports

14.1 Benefit Integrity Forms

The following chart lists DSS forms used in the FS/FI Benefit Integrity Program:

Form Number	Form Name	Section Reference
DSS Form 1648	Administrative Consent Agreement Waiver of Hearing and Consent to Disqualification (ACA)	See 7.7
DSS Form 1680	Possible Claim Referral Form	See 2.1 , See 2.3 See 12.1
DSS Form 2619A	Account of Claim Activity	See 6.2 , See 7.10 , See 12.1
DSS Form 2619B	Account of Claim Activity/Part 2 (IPV/FR).	See 6.2 , See 7.10
DSS Form 2627A	Repayment Agreement and Acknowledgement of Debt	See 10.1
DSS Form 2659	Deferred Adjudication Disqualification Consent	See 7.11

	Agreement	
DSS Form 12102	EBT Request for Debit	See 10.3
DSS Form 12107	Recipient Questionnaire	See 4.6
DSS Form 16123	Authorization to Prosecute	See 7.10, See 2.3
DSS Form 16164	Request To Bookkeeper to Reduce FS Overpayment by Expunged Benefits	See 5.5
DSS Brochure 24117	Fraud Busters	See 1.3

14.2 Benefit Integrity CHIP System Notices

The following chart lists the CHIP system generated notices used in the FS/FI Benefit Integrity Program:

Notice Number	Notice Name	Chapter/Section Reference
CHIP Notice C500	Overpayment Demand Letter	See 6.5
CHIP Notice C501	Overpayment Demand Letter-ESC Data	See 5.7
CHIP Notice F503	Food Stamp IPV Disqualification	See 8.2
CHIP Notice C504	Loss of Fair Hearing to Contest a Claim	See 9.2
CHIP Notice F505	Possible EBT Card Misuse	See 4.6

14.3 Benefit Integrity CHIP System Reports

The following chart lists CHIP system generated reports used in the FS/FI Benefit Integrity Program:

Report Number/ Production Cycle	Report Name	Chapter/Section Reference
MR 500/monthly	Possible Claims Register	See 2.5
MR 537/monthly	Outstanding Claims, Negative Balances	See 10.8
MR571/monthly	Claims Paid In Full	See 6.3
MR 595/ June and December each year	Claims at Department of Investigations	See 7.10
MR 730/monthly	DRS Clients completing Disqualification for Budgeting in Month/Year	See 8.3
MR 755/monthly	Disqualified Clients Not on DRS who Participated in Month/Year	See 8.3
FSDR 009-R4 (DRS) /monthly	State Transmission Edit Report – Fatal Errors	See 8.3

14.4 J P Morgan System Reports

The following chart lists J P Morgan system generated reports used in the FS Benefit Integrity Program:

Report Number/ Production Cycle	Report Name	Chapter/Section Reference

A

ADH Procedures, 27
Administration of the Benefit Integrity Program, 2
Administrative Consent Agreements (ACA's), 28
Administrative Disqualification Hearing (ADH), 25
Agency Error (AG) Claims, 7
Allotment Reduction for Claims Repayment, 40
Authority, 1

B

Bankruptcy, 43
Benefit Integrity CHIP System Notices, 54
Benefit Integrity CHIP System Reports, 54
Benefit Integrity Forms, 53
Benefit Trafficking, 11

C

Calculating FS Claims Due to Trafficking, 17
Calculating FS or FI Claims Not Due to Trafficking, 16
Calculating a SS Claim, 18
Categorical Eligibility Claims, 10
Claims Not Sent to the Division of Investigation (DOI), 29
Claims Review Process for FS Intentional Program Violations, 25
Collection Activity on Claims Requesting Fair Hearings, 38
Corrective Actions Plans for ME Review, 51

D

Definition of a Recipient Claim, 2
Delinquent Claims Referred to the Claims Collection Unit (CCU), 46
Determining Delinquency for Claims, 45
Disqualification from FS Participation, 24
Disqualification Time Frames, 32

E

EBT Misuse, 11
Establishing Claims on Persons Unknown to CHIP, 22
Evidence for EBT Misuse and Benefit Trafficking, 13

F

Fair Hearings Combined with ADH's, 27
Frequency of ME Review, 51

I

Imposing the Disqualification, 33
Inadvertent Household Error (CL) Claims, 8
Intentional Program Violation (IPV) Claims, 8
Interstate Claims, 43
Investigating EBT Misuse and Benefit Trafficking, 13

J

J P Morgan System Reports, 55

M

Making a Referral to the Division of Investigation (DOI), 29
Management Evaluation (ME) Review Objectives, 50
ME Review Coverage, 51
Monitoring and Evaluation of ME Corrective Action, 52

N

Notification of a Claim, 23

O

Out of State Usage Report, 6

P

Possible Claims in Transferred Cases, 4
Possible Claims Management, 6
Possible Claims Referral to the Division of Investigations, 5
Pre-establishment Cost Effectiveness Determination, 20
Pre-Trial Intervention for Claims Referred to the Division of Investigation (DOI), 30
Priority for Establishing Possible Claims, 5
Profiles for EBT Misuse and Benefit Trafficking, 12
Purpose of the Recipient Claims and Benefit Integrity Program, 1

R

Recipient Claims Case File Format, 48
Recipient Rights to a Fair Hearing, 38
Reducing FS Overpayments by Expunged EBT Benefits, 17
Referral Sources for EBT Misuse and Benefit Trafficking, 12
Referring FS Claims for ADH's, 26
Referring Possible Claims, 4
Refunds for Overpaid Claims, 43
Repayment by Public Service, 43
Repayment Agreements, 39
Repayment Agreements on Claims Referred to the Division of Investigation (DOI), 30
Repayment with Benefits from EBT Accounts, 41
Responsibility for Paying Claims, 3
Restoring Eligible Months for FI Claims, 21
Retention of Recipient Claims Case Files, 49
Retention Rates for Collected Claims, 44

S

SF/FR Claims Sent to the Division of Investigation (DOI), 28
Start Dates for Calculating Claims, 15

Steps to Establish a Claim, 20
Supportive Services (SS) Claims, 9
Suspected Fraud/Fraud (FR) Claims, 8

T

Terminated Claims, 46
Terminating and Writing Off Claims, 47
The Disqualified Recipient Subsystem (DRS), 34
Time Frames for Calculating Claims, 16
Transferring Established Claims, 23
Types of Claims, 7

U

Unspecified Joint Collections, 43
Use of Home Visits in Calculating Claims, 19
Use of ESC Wage Match in Calculating Claims, 18
Use of Subpoenas in Calculating Claims, 19

W

Written Off Claims, 46